



State Senator Tupac A. Hunter

*Serving the 5th District Constituents in
Detroit, Dearborn Heights & Inkster*

Michigan

Legislative Report



MICHIGAN STATE SENATE
TUPAC A. HUNTER
STATE SENATOR • 5TH DISTRICT

"It was once said that the moral test of government is how that government treats those who are in the dawn of life, the children; those who are in the twilight of life, the elderly; and those who are in the shadows of life, the sick, the needy, and the handicapped."

- Hubert Humphrey
Former Vice President and U.S. Senator

Dear Friend:

Michigan is in crisis. Current projections point to a state budget shortfall of nearly \$3 billion. The media has been flooded with the problems of the auto industry and the reduction in revenues that our state is experiencing. As we seek solutions to this dire situation, no service, no program, no sector will be immune. You need to be aware of just how this budget shortfall could personally affect you, your family, and all Michigan residents.

Cuts in state spending could result in severe reductions in all critical services. School funding could be greatly reduced. Healthcare services could be drastically cut. Programs for seniors, like patient assistance programs, transportation services, and home delivered meals could be eliminated. Services for children, including programs like immunizations, newborn screenings, and hearing and vision screening could be discontinued. Foster care, Child Protective Services, and adoption services, already struggling in the weakened economy, could be adversely impacted. Emergency service funding, family planning services, HIV/AIDS programs, anti-drug programs, health screenings – all the vital services you and your family depend on to get by could be open to cuts.

All this as the auto industry continues to struggle and the number of laid-off and unemployed workers continues to grow.

Governor Granholm and I have made more tough cuts than any of our previous leaders. We've cut almost \$3 billion in spending just over the last three years, and we will continue to make tough choices. But we are also committed to investing in the future of our state by creating jobs and improving the quality of life for our residents. It takes more than short-term "fixes" to achieve those goals.

Please be assured that my number one priority right now is to help solve this disastrous economic situation in a way that keeps critical services intact. I can't overstate the desperate nature of our current situation. But I can pledge to work diligently with my colleagues and the administration to keep you and your families safe, healthy, and an important part of Michigan's economic survival.

Enclosed is a survey where you can express your opinions. Your ideas are an important part of determining the Michigan we will leave for our children and grandchildren.

Sincerely,

How to Contact Me

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Tupac A. Hunter**

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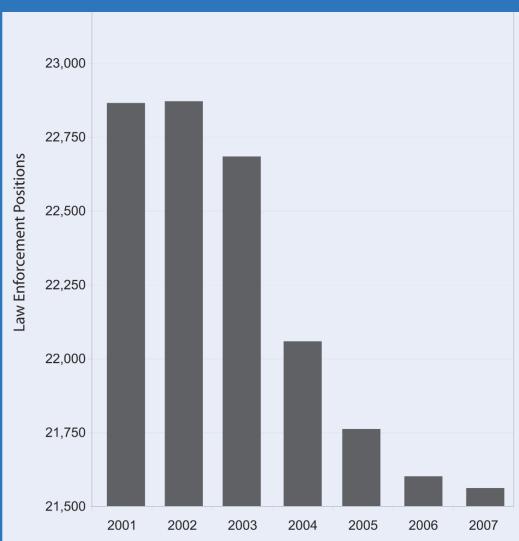
www.senate.mi.gov/hunter

Budget Facts

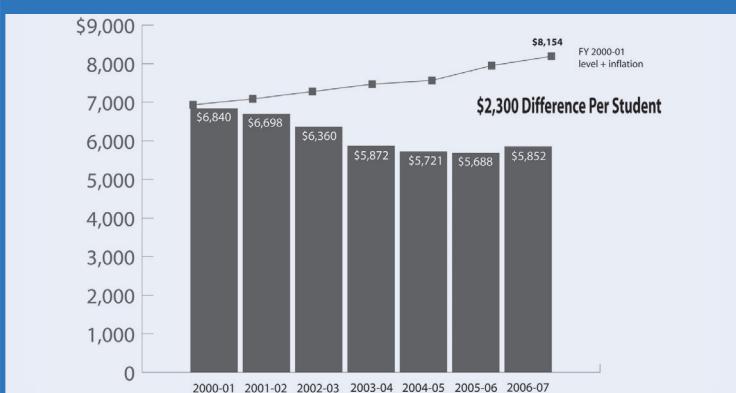
- Since taking office, Governor Jennifer Granholm and the Legislature have resolved more than \$4 billion in budget deficits.
- To resolve those deficits, the Governor has **cut** more than \$3 billion from state government, more than any Governor before her.

- State government employs **fewer** people today than it has at any point since the early 1970s.
- Funding for local governments, including local police and fire, has been **cut** by \$585 million resulting in a loss of more than 1,600 local police officers.
- Higher education funding has been **cut** by more than \$250 million, forcing students and their families to endure double-digit tuition rate increases.
- Funding for our public schools has been **adjusted** twice and programs, including adult education and gifted and talented programs, have been cut, totaling more than \$500 million.
- But Michigan's struggle with budget shortfalls will continue as long as we have declining revenues and increasing spending pressures (like the rising cost of health care).
- General fund revenue is down 30% since 2000 (\$11.5 billion to \$8.1 billion) and will fall another \$1.2 billion dollars if the Single Business Tax (SBT) is not replaced.
- Michigan has 2,500 **more** prisoners than in 2003.
- Medicaid caseloads are **up** 30% since 2000 while food assistance caseloads have nearly **doubled**, increasing 48% in the same period.

1,600 Fewer Law Enforcement Officers Since 9-11 Terrorist Attack



State Appropriation Per Student Cut By \$2,300



School Funding and the Effect of the Lottery

School funding is a complicated issue, often accompanied by many misconceptions. Michigan school districts are funded based on the number of students enrolled in the district. This funding is often referred to as the foundation allowance or foundation grant. Many schools are facing financial problems because, for the last five years that the state has given increases, twice they've been forced to reduce the increases mid-year. So the combination of lack of state funding with inflationary increases has created the problem.

While many assume that the Michigan Lottery is the primary source of school funding, the lottery in fact contributes about 6 percent of the School Aid Fund. In fiscal year 2005-2006, that amount was approximately \$688 million. That translates into about 67 hours of the 1,098

of instruction that the state requires, or about 9.6 days.

So basically, lottery revenues pay for about two weeks of the 180-day school year.

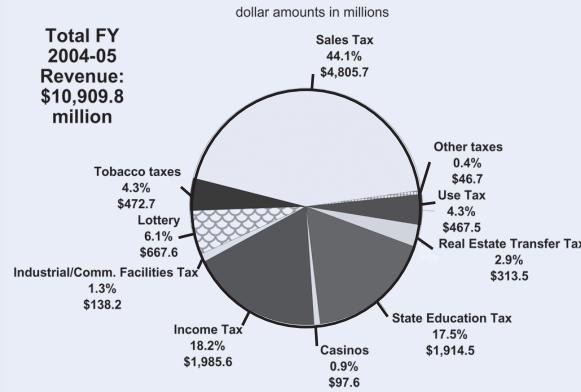
So where does the rest of the lottery revenue go? Approximately 56 percent of lottery sales are paid out in prizes. Another 7 percent is paid out in commissions to retailers and vendors for carrying lottery tickets. About 4 percent is spent on administrative expenses. Recently, the lottery has increased prize payout rates in order to stay competitive with other gaming options in Michigan. As a result,

the School Aid Fund receives only about 32 percent of the total lottery sales revenue. This is down from the 35-40 percent that it received in earlier years.

Meanwhile, Gov. Granholm has pledged to preserve school funding this year and has called for additional investment in our schools to build on the positive steps already taken. The Governor also called on the Legislature to make kindergarten mandatory and raise the dropout age to 18, demonstrating that quality education is a mandatory part of the Michigan comeback.

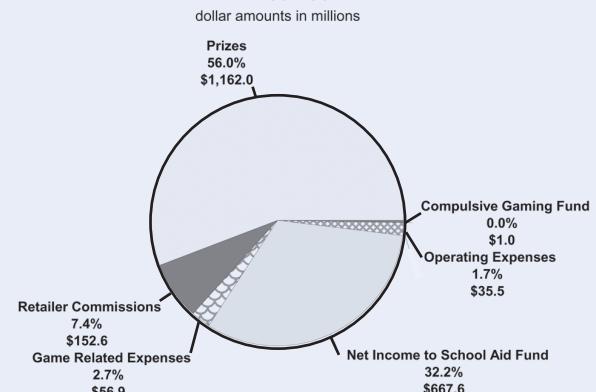
School Aid Fund Revenue Sources

FY 2004-05
dollar amounts in millions



Distribution of Lottery Revenue

FY 2004-05
dollar amounts in millions



Hunter Assumes Leadership Roles

Michigan Senate officials have announced that Assistant Democratic Leader Senator Tupac A. Hunter has been named ranking Democrat on the Banking & Financial Institutions Committee and Homeland Security & Emerging Technologies Committee. He is also a member of the Commerce & Tourism and

the Economic Development & Regulatory Reform Committees. His years of leadership roles in the Michigan House of Representatives, as well as his in-depth experience in economic development, financial services, and consumer protection, will serve him well in his new roles.

Calling All Community Groups

If you are a block club, neighborhood group, or an organized collective of citizens, Senator Hunter would like to publish your meetings. Please contact Teisha Metoyer, Office

Manager, with your group meeting times, dates, and locations. She can be reached by e-mail at tmetoyer@senate.michigan.gov or by phone at **517-373-0994**.

Coming Soon... The Hunter E-News Report



We are currently developing Senator Hunter's E-News Report, and we would love for you to be a part of it when it's ready. To subscribe, please send your e-mail address to SenTAHunter@senate.michigan.gov and write "e-news add" in the subject line.

You may also check out the Senator's latest activities in Lansing and in the district by visiting his Senate website at www.senate.mi.gov/hunter.



Survey cut line



MICHIGAN'S BUDGET CRISIS IS OUR BUDGET CRISIS

What does this mean to YOU?

- Some 1,600 **fewer** law enforcement officers statewide since the 9-11 terrorist attacks.
- A \$2,300 per student drop in state funding to higher education, leading to **double-digit tuition increases** in some cases.
- Forty-six hospitals **forced to close** their doors.

What have WE done so far?

- Michigan is operating on nearly a third less revenue than 30 years ago.

- Nearly \$3 billion in cuts have been implemented by the Governor and Legislature over the past three years.
- Reduced the number of state employees by 10,000 since the year 2000.

the poor rely on emergency rooms for routine care.

- **Reduce or eliminate dozens of service programs upon which Michigan residents rely.**

What is at RISK?

If we don't address the impending \$3 billion shortfall, we may have to:

- **Close 16 corrections facilities**, releasing nearly 14,000 prisoners.
- **Cut more than \$200 per student**, costing public schools critical funds mid-school year.
- **Eliminate funding for health care**, increasing the cost to taxpayers as

the poor rely on emergency rooms for routine care.

- **Reduce or eliminate dozens of service programs upon which Michigan residents rely.**

What can YOU do?

Watch your mailboxes and inboxes for urgent updates from your state legislators, and contact your elected officials immediately to tell them to protect these critical services and invest in Michigan's future. For more information, visit www.senate.mi.gov/demcaucus.

Survey fold line

YOUR OPINION MATTERS!

As your State Senator, your ideas and opinions are important to me. Your input on the following survey will help me represent our community better. This survey is self-addressed. When complete, please cut on the dotted lines, affix postage, fold, and mail. I look forward to your comments. Please rank each of these issues 1 through 7, with 1 being the most important and 7 the least important:

Education

Transportation

Health Care

Environment

Jobs

Personal Tax Relief

Critical Services (i.e., police, fire, Homeland Security)

Additional Comments _____

Name _____ Address _____
City/Zip _____ Phone () _____ E-Mail _____



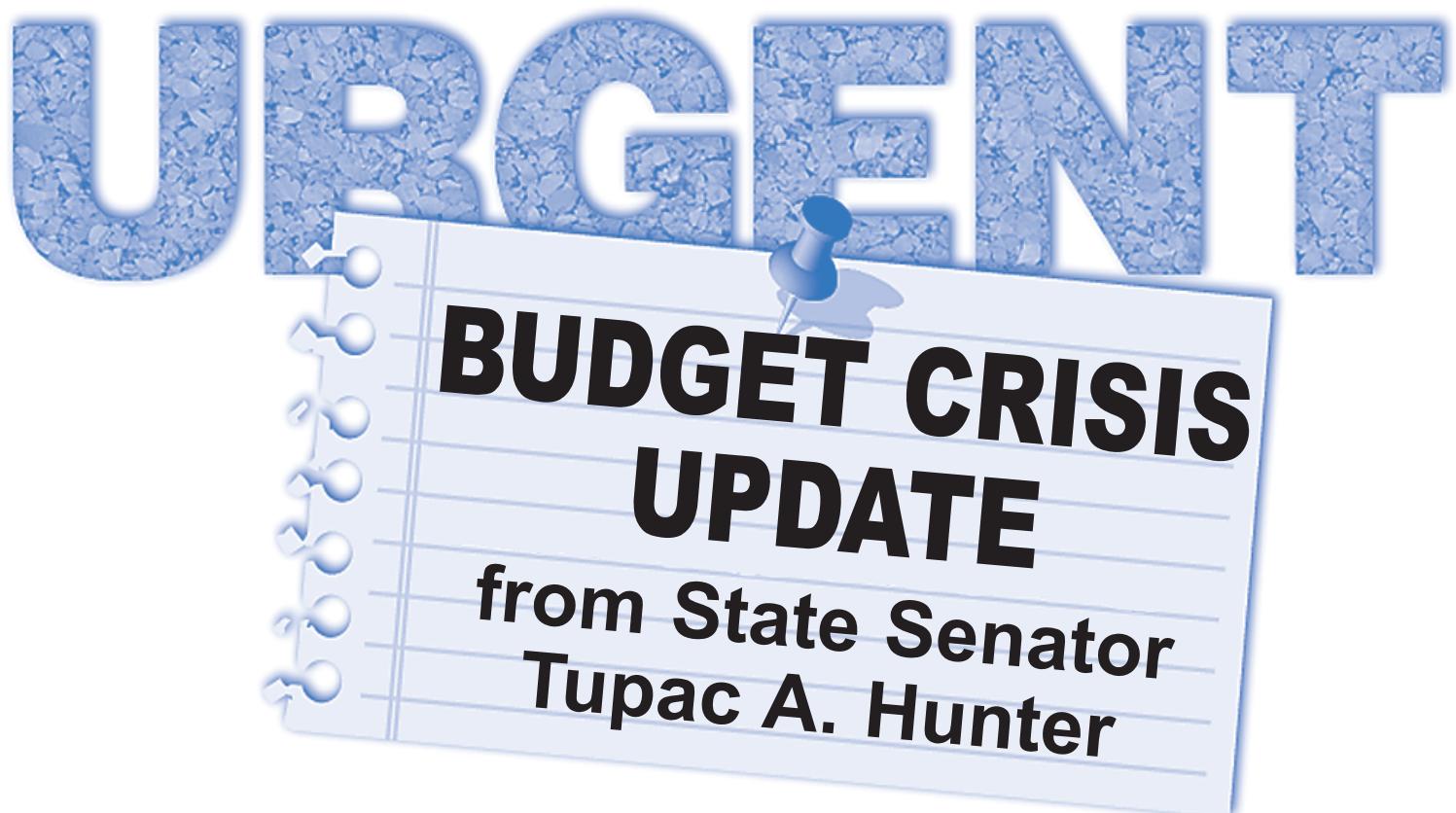
State Senator Tupac A. Hunter

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March 2007

Survey cut line



Fold on this line, secure with tape, and mail back survey.

Lansing, MI 48909-7536
P.O. Box 30036
Tupac A. Hunter
State Senator

Please place 1st-Class stamp here